



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 27, 2006

REPORT NO. 06-034

ATTENTION: Land Use and Housing Committee
Agenda of March 29, 2006

SUBJECT: North University City Public Facilities Financing Plan, Fiscal Year 2007

REQUESTED ACTION:

Should the Council: 1) Approve the North University City Public Facilities Financing Plan (PFFP) for Fiscal Year 2007; 2) Adopt a Resolution of Intention to designate an area of benefit for a Facilities Benefit Assessment (FBA) in the North University City portion of the University City Community Planning Area; 3) Adopt a Resolution of Designation; and 4) Approve the setting of Development Impact Fees (DIF) consistent with the FBA in North University City for those developments which have never been assessed or otherwise agreed to pay an FBA?

STAFF RECOMMENDATION:

Approve the North University City Public Facilities Financing Plan, Fiscal Year 2007; rescind the existing Facilities Benefit Assessments and Development Impact Fees and establish new Facilities Benefit Assessment and Development Impact Fees for the North University Community.

SUMMARY:

Council Policy 600-36 calls for an annual review of all existing Facilities Benefit Assessments (FBA). This is the annual review and will serve as the basis for the Capital Improvement Program as it pertains to programming FBA funds in North University City over the next nine-year period.

The proposed Public Facilities Financing Plan details the public facilities that will be needed through the ultimate development of the North University City area, which is presently estimated to be the year 2015. North University City is a partially developed community with many community facilities already in place. This Public Facilities Financing Plan and Facilities Benefit Assessment revises and updates the Fiscal Year 2005 Plan (R-299403 dated June 29, 2004).

The proposed FBA is based on current estimated costs of facilities to be funded under this program. The costs of the facilities are then apportioned equitably among the undeveloped parcels within the Area of Benefit. The objective of the FBA program is to insure that sufficient funds will be available to construct community facilities as the community develops.

The Proposed Public Facilities Financing Plan and Facilities Benefit Assessment includes the addition of \$30,198,348 in FBA funding as a result of existing project cost increases. These increases are a result of unprecedented rises in construction costs, material costs, and project delays. The increases necessitated a revision in the rate of assessment, resulting in an increase of 51%.

The proposed assessments for Fiscal Year 2007 in North University City are as follows:

LAND USE	CURRENT ASSESSMENT	PROPOSED ASSESSMENT PER UNIT OR PER ADT IN FY 2007
Single Family Dwelling Units	\$ 10,748	\$16,229
Multi-Family Dwelling Units	\$ 7,524	\$ 11,361
Average Daily Trips	\$ 724	\$ 1,093

The FBA will be collected at the building permit issuance stage of development and deposited into a special interest earning fund for North University City. Annually, the Council receives a status report on the program and authorizes the appropriation of funds for construction of facilities which are programmed for the next fiscal year in the annual Capital Improvements Budget.

The proposed Resolution of Intention will set a date for a public hearing on the Facilities Benefit Assessment. Prior to the public hearing, mailed notices will be sent to all property owners within the proposed area of designation of the date of the hearing and their right to file a protest with the City Clerk prior to the start of the hearing. Notice will also be given by publication of the Resolution of Intention in the City's official newspaper. Unless overruled by a four-fifths vote of the Council, written protests by owners of more than one-half of the area of the property proposed to be included within the Area of Benefit shall cause the proceedings to be abandoned.

Should the City Council not approve the proposed North University City Public Facilities Financing Plan, Fiscal Year 2007, the existing fees would remain in place and new development would not be contributing its proportionate share for facilities identified in the University Community Plan. Alternative funding sources would have to be identified to fund the share of the identified facilities.

FISCAL CONSIDERATION:

Adoption of this revised Public Facilities Financing Plan will continue to provide a funding source for the public facilities identified in the North University City Community Plan.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

The existing North University Public Facilities Financing Plan, Fiscal Year 2005, was unanimously approved by the Land Use and Housing Committee on May 19, 2004 and by the City Council on June 29, 2004.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The University City Community Planning Group (UCPG) voted to approve the North University City Public Facilities Financing Plan, Fiscal Year 2007, on March 14, 2006. The UCPG approved the document based on the following motion, “The University City Planning Group (UCPG) recommends City Council adoption of the Fiscal Year 2007 North University City Public Facilities Financing Plan. This plan includes the construction of the Regents Road Bridge and Regents Road improvements, as well as the widening of Genesee Avenue from Nobel Drive to State Route 52. Currently, the North/South Corridor Study and Environmental Impact Reports (EIR) are being analyzed regarding the need and timing of the aforementioned improvements. The UCPG cannot endorse these specific projects or the phasing of these projects until the City Council has made a final decision on the North/South Corridor Study.” The UCPG unanimously approved the plan, 13-0.

KEY STAKEHOLDERS AND PROJECTED IMPACTS (if applicable):

All property owners with remaining new development are listed on the North University City Public Facilities Financing Plan, Fiscal Year 2007 Assessment Roll, starting on page 157 and will have received notice and a copy of this document in the mail. These property owners will have liens placed on their property and will be required to pay Facility Benefit Assessments upon any building permit issuance when developing their property. Any redevelopment which increases the intensity of existing uses may be subject to an impact fee per Attachment 2.

Respectfully submitted,

Betsy McCullough
Acting Planning Director

James T. Waring
Deputy Chief of Land Use and
Economic Development

WARING/MCCULLOUGH/JLC

Attachments: 1. North University City Public Facilities Financing Plan, Fiscal Year 2007
 2. Development Impact Fee Analysis

Note: Due to the size of the attachment, only a limited distribution was made. These attachments are available on the City’s website and a copy is available in the Office of the City Clerk.